



**STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR
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MICHAEL F. EASLEY
GOVERNOR

September 17, 2008

The Honorable Richard Burr
United States Senate
217 Russell Senate Office Building
Washington, DC 20510

Dear Senator Burr:

Various legislative proposals, including the bill passed yesterday by the House and several pending in the Senate, would open offshore oil production in North Carolina and other coastal states. I am requesting that the legislation that is ultimately adopted allow North Carolina and other states to acquire the lease permits themselves, without federal fee. The waiver of fees is justifiable since the state is in a unique fiduciary position to protect the interests of our citizens, unlike private oil companies.

We must realize that these are precious resources which affect our economic and national security. Therefore, it is in the best interest of the states and the United States to maintain control over these resources. The proposed legislation as written would simply allow private oil companies to take this resource and blend it into the world oil supply. No legislative language can prevent this fungible product from entering the international market, leaving American economic and security interests vulnerable.

North Carolina's intention is to maintain control over the exploration, drilling and production of this petroleum to guarantee that it benefits our people. We are in the best position to know when this reserve is most needed.

Otherwise, in the current legislation, private oil companies could drill and drain these last reserves off our coast long before they have exhausted the supply elsewhere. This would leave America inexplicably vulnerable, as other nations emerge economically and demand more of the world's oil supply.

Whether we oppose or support offshore drilling, Congress is moving forward on this legislation. I believe it is imperative that we maintain control over these final reserves as we transition to alternative fuels.

Quite simply, American oil must be used for American interests.

I appreciate your interest and cooperation on this important issue.

With kindest regards, I remain

Very truly yours,

A handwritten signature in dark ink, appearing to read "M. Easley", written over a horizontal line.

Michael F. Easley

MFE/lrm

